DCI Address To The

AEROSPACE INDUSTRIES ASSOCIATION OF AMERICA, INC.

25 May 1978

Thank you, Bob. Thank all of you for the opportunity to be here with you. I'm truly very pleased at that. Good communication between all portions of our government and that portion of our business community that supports the government so much as do you, is obviously critical. It is particularly critical to us in the intelligence world today. I don't need to tell you what tremendous contributions you are making to our technical capabilities in intelligence. They are burgeoning beyond imagination, taxing us to find ways in the years ahead to utilize, to process, to screen, to store, to be able to retrieve all the data that is becoming available through our marvelous technical intelligence systems to which so many of you contribute. Beyond that, as people who are major shapers and molders of American public opinion, I am very grateful to be with you because we need understanding and support as we bring our intelligence activities in this country back out from under three years of intensive public criticism to a more proper and deservedly respected place. Beyond that too, I want to express my appreciation for the years of traditional warm exchange of information, on quite a proper basis, between the intelligence community of our country and its business community, particularly that part of our business community which you represent. It is very important to us and I believe that in the years ahead it will become more important. One of the tenets under which we operate is we do not want to spend money and take risks to go out and try to obtain information by covert, secretive means

that is available within our American community in one place or another. The contributions that you with your international business play in helping us get the information which is available inside our country and reduce the risks and costs that we must take to get it elsewhere is extremely important.

One of the things I would like to emphasize in speaking with you this afternoon is that of a new policy we are trying to move toward, a new policy to try to make the channel of communication between intelligence and business more of a two-way street, to see if we can't find better ways to provide feedback to you of what we have that can be of use to the American business community. One of the reasons that we are moving in this direction is a conviction that it is necessary and desirable. Another reason is that we have more available today, I believe, that is of interest and value to the business community. If you look back thirty years when this country first organized a centralized intelligence function--what was our product? Our product in those days was almost exclusively military intelligence about the Soviet Union and her satellites. If we look at the span of activity of our country in the intervening thirty years, our focus has changed. We are interested in many more countries than the Soviet Union and its satellites. We are interested in many more fields of activity than the military, just as your business in these same thirty years have become much more involved overseas. So too our country as a whole is much more involved with most of the 150 some countries in the world. And our relations with them are quite different than they were thirty years ago. They are not willing to follow our lead in the United Nations when they vote, they are not beholden to us economically as much as they were in the decades behind us. Today they are

very independent countries; they are countries that are counting on the interdependence economically of the entire world, and we must learn to understand and work with them and lead them. So we have to know what is going on. Our relationships with most of these other 150 countries are much more economic and political than they are military. So we are forced today in the intelligence world to put more attention, more effort into the political and economic spheres. It is a great challenge, its exciting, its demanding, we are acquiring new skills, new types of analysis, new ways to search for informantion.

Because of this, we are following a policy of greater openness. We are because we have today more information that is of interest to the public and particularly to you in the business community. So that traditional credo of intelligence, maximum secrecy and minimum disclosure, is being tempered today. We are trying to find a proper balance between maximum disclosure and minimum secrecy. It isn't easy. What we do is, we're out speaking more, we are attending more conferences, presenting more papers in academic circles, and so on. But perhaps of most interest and importance to you, we are publishing more. We are taking those secret studies and estimates that come off the press and we are asking ourselves, if we take out of them two things: first, how we got some of the data, because if we disclose it we will probably never get it again. Second, information and data that is of unique advantage to our policy makers if they have an exclusive on it. If we take those things out, is there enough substance left to be of meaningful import to the American public. And if there is, we have been publishing. We have done over a hundred publications in 1977, we hope many of them were of interest to the general public. We think more of them were of interest to people like yourselves.

Let me cite a couple of examples.

Last Spring amidst some controversy, we published a study on the world energy prospects. We were criticized on the one hand for being politicized and putting it out to support the President's policy and, on the other hand, for inaccuracies. What we were saying was not what we are most frequently criticized for having supposedly said. What we were saying was not that there is insufficient oil in the earth to take care of the world's needs, but simply that we saw the slope of the curve of demand rising more steeply than we thought the slope of supply could hack it--by about the early 1980s or mid-1980s. And therefore, there was going to be a crunch on prices and possible restruction in the economic growth of the industrialized countries. I assure you that we were not politicized and it was not a political study. It was started long before the election of 1976, and before this Administration came up with a new energy policy. As far as the accuracy of our study is concerned, I'll tell you in advance that within a few weeks we are going to revisit that study and republish. Yes, there are changes in it. There have been changes in the world and there have been mistakes in our forecast. But the conclusions are not going to change very much. We still think that in the early 1980s we are going to have a problem. Not because the oil isn't there--we just cannot get it out of the ground as fast as we are going to want it in that time frame. If you look further ahead (and we stopped at about 1985) there are lots of other possibilities open to us. We hope that sharing this study has helped to stimulate debate. We relish it because it helps us, in turn, to get the

feedback. It helps us then to focus our intelligence collection on what are the weak points in our analysis, and try over the next few years to see the indicators in the actual world of energy and find out which way they are going. Are they going the way we predicted or are they going some other way, and try to focus in on those important points.

Another study we produced last Summer, which I think would be of interest to you, is one on the prospects for the Soviet economy. As we saw it, over the past several decades the Soviets have kept their economy moving forward on a theorem of constantly increasing increments of labor and capital. We think that is coming to a deadend from them. The demography of the Soviet Union is such that in the 1980s because there weren't the right number of births in the 1960s, they are going to have a decreasing rate of growth of their labor force. They can't turn to that means of keeping their economy expanding. On the capital side, we all know they are having to reach further and further into Siberia, into difficult and expensive resources to find capital assets. What does all this mean? We think they are going to have some difficult choices to make at about the end of this decade, possibly at a time when they are going to have difficult leadership change problems. The combination of these factors may be very important to the overall world economic outlook. And it certainly is going to, in our view, make it more difficult for the Soviets to enter the world market, to enter our market, to buy the technological improvements that they are looking for from our type of economy.

Still another study is one on international terrorism. I wish I could report back to you that we saw some light at the end of the tunnel but we don't. We see this as a continuing and increasing problem and,

unfortunately, the record shows that over the past few years the increase of U.S. involvement, U.S. activities and persons overseas, has been growing. We are concerned, we see no easy way around this. I would add that we are, as an intelligence community, however, playing an important role in trying to blunt international terrorism. We are in close cooperation with most of the free world intelligence agencies around the world. We are very busy, we are very active in trying to report, to anticipate, to prevent. We have had a number of important successes in this regard.

Now let me not overstate the case to you about openness. There is no way we can disclose even a small percentage of the totality of what we know and what we do. So much of what we do simply cannot be done if it is not done in secret; so much of what we know must be kept secret for the benefit of our country. I would add that this is of great importance to you because we are having a very serious problem these days with staunching the leaks of classified information and it affects you in industry and it affects us in the government. I believe sincerely that detente, on balance, is a good thing. It's a good thing because I think we benefit because of the opening up of a closed society to some degree in the process of detente. But as an intelligence officer, I must say that detente is a net minus for us. We are opened up more to Soviet espionage, to the unrelenting effort that the Soviets make to get information out of our society; we are opened up more than we gain benefit in the other direction. One of the areas that you know that they are most concerned with is industrial espionage, in gaining access to our technology. I am most grateful to the aerospace industries of our country with whom we work so closely, for great cooperation and great progress in the past few months in tightening our controls, in

tightening our insurance against industrial espionage. It is critically important to us and I would assure you that we are doing everything we can inside the government. Sometimes I read the morning paper and despair that we are making progress but I think we are at times.

Interestingly, I would add that the policy of openness I have mentioned to you is also founded in the hope that it will help us to protect the secrets we have better. One of the reasons we have leaks and whistle-blowers in my view, is that there is inadequate respect today for the classified label. People just know there is too much classified information about in our government and they do not respect what is there. I hope that by reducing that corpus, by reducing the quantity, by taking things out into the open which really don't need to be kept classified, we can re-engender the kind of respect that is really due a true secret in our government system. We hope, therefore, it will be easier to protect those secrets which are left if we open up those which really aren't necessary in the secret category. We have had too many instances, because of this lack of respect when people like Snepp, Stockwell, and others, deciding unto themselves that they have the right to decide what we, the government, should keep as secrets and disclosing them to the public. I can assure you some of it is unimportant but much of it is very critical. Some of the disclosures in the past four or five months, in my opinion, are setting us back. Not so much today, but I am concerned about tomorrow. I'm concerned when people lose confidence in their ability to work with a Central Intelligence Agency, a Defense Intelligence Agency. The ones who are working for us today will hang on in many cases, but will the young ones coming along tomorrow do the same? It's [illegible] country and we

must move to stop the leaks. I think it is time we re-engendered a sense of confidence in our appointed and elected officials, some confidence that when they were dealing with secrets they were not simply trying to cover their number or to cover up their mistakes.

I would add here that it's very important that the public retain confidence in us and I am not asking that the public just accept us on faith. But I would suggest that out of the crucible of three and a half years of very intense public criticism of intelligence, we are forging a new process of public oversight. There is a contradiction in these terms because since I have emphasized how much we must retain secrecy, we clearly cannot have full public oversight of what we are doing. What we have created, I believe, in the last several years is a process of surrogate public oversight. The first surrogates are the President and the Vice President, who today give a great deal of attention to our intelligence process. They stay on top of what is going on, they give me and others the time to keep them well advised. Secondly, we have created something called the Intelligence Oversight Board--former Senator Gore, former Governor Scranton, Mr. Tom Farmer of Washington, D.C.--who sit as a body beholden only to the President of the United States, and are only to look into the legality and the propriety of how the Intelligence activities of our country are being conducted. Any one of my employees may communicate with them directly, around me, if they feel there is some impropriety or illegality going on. Finally, we have two vigorous oversight committees of the Congress who are empowered to oversee our activities and to serve as another

check for the public against potential abuse.

I am sure you appreciate quickly that there are dangers in this oversight process. There are three dangers that I would point out. One is that we may come to intelligence by timidity. If we have to clear all these things and acknowledge them through the oversight process, maybe we just will say, let's not do them. We must take risks from time to time if our country is going to have the information it needs to make the best decisions possible. Secondly, clearly there are risks of leaks. In my view, the possibility of the leak of a secret is geometrically proportional to the number of people who know it, regardless of who the people are. I'm not condemning the Congress here, but as we bring more people into the oversight process, yes, the possibility of leaks goes up. Finally, there is the problem or potential danger of overmanagement, because the line between oversight and overmanagement is very thin. If we are going to retain initiative and risk-taking in the intelligence operations of our country, we cannot be overmanaged. Those of us in charge must have and assume the responsibility. I think it will be a year, maybe two, before we have settled down and I could honestly report to you that we have found the right balance between assurance to the public through oversight and our retention of effectiveness of our intelligence process. We are moving in the right direction. I am confident we are going to end up in a good balance but we are not there yet. It's going to be a difficult process as we move to get the relationships established at all these levels.

Because the President wants this combination of good oversight and greater effectiveness, on the 24th of January this year he signed a new

Executive Order establishing some new organizational arrangements, new sets of restrictions and new sets of guidelines as to how to operate in the intelligence world of our country. Let me describe the key ones of those to you very briefly. I think they in some measure affect the interplay between business and intelligence. To begin with, I think I see in this new Executive Order, this new thrust for American intelligence an effort to go back to the fundamentals of the National Security Act of 1947, which at that time created the office of the Director of Central Intelligence distinct from the office of the head of CIA. As DCI, my job is to coordinate all of the national intelligence activities of our country which frankly never quite got off the ground as the Act of 1947 mandated. So, what the President has done is, in a modest way, is to strengthen the authorities of the Director of Central Intelligence today to carry out that integration, that cooperation that must exist. Particularly today, because since 1947 our intelligence activities have become much more complex. We need cooperation, we need integration if we are not going to stumble over each other and even worse, in the process, fail to cover something that is critical to our nation. First, the new Executive Order gives me the authority to manage the budgets of all of the intelligence activities listed as national intelligence as opposed to the purely tactical ones operated by the Department of Defense. I think this is going to help us make better tradeoffs and those are very critical to us today, because while I thank you for the tremendous technological advantages you are giving us, I must say I am having trouble over the prices. Very seriously, we have

a real dilemma of how we are going to be able, within reasonable budget figures, to accommodate all of the new kinds of technical systems that we really want and urgently need. So we must make the best tradeoffs possible here and I think budgeting by committee, which is what we were doing before, has never been an effective way to do that.

Secondly, the new Order gives me authority to task all of the collection elements of the intelligence community. In short, it is my responsibility today to ensure that all the technical systems and all the human systems, are doing what the basic priorities established want them to do; that they are doing it in a cooperative, interactive fashion so that when this system has a gap in what it can tell us, we try this system for filling it and work them in a very coordinated manner. This is an important new authority. In addition, collecting is, of course, only one half of the intelligence process. The other half is analyzing and doing something with what you have got. Here I have somewhat augmented authorities to ensure a coordinated analytic effort, to bring the intelligence bits and pieces together and make some sense out of them. But I would stress very much here that I do not have authority to direct the intelligence analytic activities of the Department of Defense, the Department of State, the Treasury, or any other agency, other than the Central Intelligence Agency. It is critical that we retain independent centers of analytic thought because no one has a monopoly on wisdom, no one can pull all those pieces of intelligence together in a way that is certain or correct.

And we want very much, and we are stressing in our analysis, our estimating today, ways in which better to present reasonable, divergent views so the decision maker is not told a war is going to start at 8:35 tomorrow morning; he is told something like there are these indicators that there may be hostilities tomorrow, there are these indicators that make us question that. On balance, we think it will start tomorrow and let him throw in his own computer, his own evaluation and test it against ours.

Finally, the new Order establishes under the National Security Council a committee of which I am the Chairman: the Secretary of State, the Secretary of Defense, the Secretary of the Treasury, the National Security Council adviser to the President, are members. This committee is to set the overall priorities for what we should do. It is very important that we have this and it is very critical that these top people in the policy making side of government play this role because as the chief of intelligence, I'm not the one to decide what intelligence we truly need. I have customers and they sit on this board and give me that guidance and that advice. It is very important and I think these steps, that I have outlined in the new Executive Order, are going to bring greater effectiveness and are going to let us, at the same time, be open, have oversight, and still be the number one intelligence organization in the world. We are that, I assure you I am doing everything I can to keep it that way and, at the same time, support the democratic institutions and ideals of our country.

Thank you.

QUESTIONS AND ANSWERS
AEROSPACE INDUSTRIES ASSOCIATION OF AMERICA, INC.
WILLIAMSBURG, VA.
25 May 1978

Q: I think there is a lot of concern publicly and certainly involved with certain elements industry-wise. That is the question of space: hostile activities, vulnerabilities when it comes to that. Is there anything you can say?

A: The question of vulnerability of space vehicles and what we can do and what I can say about it. To begin with, I have to preface my remarks only say we don't acknowledge having...[tape turned over, part of question lost]... capabilities. They have demonstrated and tested such a capability. Clearly it has limits here and there. It isn't applicable to all of our systems but it is applicable to enough that it has to be a matter of concern. As you know, we are engaged in negotiations for a ASAT treaty. That is one approach. Another approach is coming to you for help in order to detect and warn of anti-satellite activity, which is a difficult process and secondly, how to ward off such attacks. The Defense Department is working on the other side of the coin which is the U.S. anti-satellite capability, but that is a different part of your question. In addition, we all must appreciate that we cannot become so dependent on any system that is vulnerable that we are really up-the-creek if something happens to it. It doesn't have to happen by hostile action even, we can have catastrophes of our own. So we have to be sure we have backup systems, and that we are not in an undue risk situation. What you have done for us in many of our technical systems today is to make them so good that they will last so long, that we buy very few. When we do that, not only is it bad for your business, its bad for our risk situation. In short, we have got to find ways to have backup capability in the barn and ready to go for all kinds of technical systems.

Q: In the area of industrial espionage, some publications recently have indicated there have been some interceptions by microwave transmissions at certain embassies. Do you see this as a threat to industry and the government and if so, what can we do, or the government can do about it?

A: Yes it is a threat. It is technically possible, of course, for anybody from a ganster to a foreign nation to put up an antenna and pick off information. We have had, for a number of years, a vigorous government program to prevent this and we think its reasonably effective in government communications. We are working with industry, telephone companies and others to try to extend that protection to the commercial zone, and you in the commerical zone are the ones most vulnerable, the ones with information of value. As the government goes off the circuit, clearly you are the next best. You have Frank Press here with you have you not? He is really in charge of this for the government but he is working with many of your representatives in trying to find the right balance between going to underground lines, going to encryption, going to different physical configurations, to prevent this.

Q: Admiral Turner, you spoke about the interworking relationships that you enjoy with non-Communist intelligence gathering apparatus in other countries. I was wondering if you could tell us if there has been a diminution in that spirit of cooperation which is essential, I would think for your job, as a result of disclosures such as Stockwell and I guess Snepp is the other one who has recently written a book.

A: There are a number of them. That's a difficult question to answer honestly. I can certainly assure you that we have bad grumblings, discussions, complaints, specific complaints that is--this quotation from this did so and so to us. I find it difficult to measure whether that has really slowed down their cooperation with us at this point. We can't go on forever without having that effect, that's for sure. We have, over the years, established such good and cooperative relations and very candidly, we give a lot more than we get, so we are not in a completely vulnerable position here. As I say, you want a willing cooperative atmosphere. You know a lot better than I the difference between cooperating with somebody who is doing it because he has to and one who is doing it because he wants to. If we can't give more assurance that we can keep the secrets, we're going to be in the former position that they may have to cooperate with us, but that would take the edge off the little things that will make big differences to us. That is why we've got Mr. Snepp in court starting on the 20th of June. He violated a secrecy agreement, in our opin ion, in a note he signed when he joined the Agency as a condition of employment, and we feel we must take whatever actions we can to enforce a contractual relationship like that to try to assure others that we are serious about this. It may be tough, I hope we win.

Q: I don't know if you can answer this but you said you felt we had one of the best, perhaps the best, intelligence gathering agencies in the world. How would you compare us with the Russians, for example. Do they know more about us than we do about them, and how do we now compare with some of the other agencies in the rest of the world?

A: The Russians have two big leads on us. One is the openness of our society--Aviation News and all the other sources of intelligence that they have. All the publications that I give out on an unclassified basis can be subscribed to for a $220 year from the Library of Congress, and the Soviets have two subscriptions. We don't think we are giving out anything to them. But clearly, they do get a lot from our society. Not one of us here would trade that, I'm sure. Secondly, they are ahead of us, and always will be ahead of us, in the field of human intelligence collection. The effort they put in is prodigious and with detente I believe, that it is easier today to meld into our society than it was for them twenty years ago. They are more astute at doing it. It is still difficult for us to walk around Moscow without being tailed. We have, on the other side, advantages that I have spoken of and which you give us, of great technological advantage. I think that is very, very substantial and unless we let you down in not funding the R&D that is necessary, I don't see why we won't stay ahead there. Finally, I mentioned that

one-half of intelligence is analysis and I have an abiding conviction that in a free society you do what I mentioned specifically: you try to stimulate divergent views. You are going to do better with what you collect than you are in a closed society where you may get your head cut off for putting forward a view that isn't acceptable. Let me make one other, I think, interesting comment because you also led into others in the intelligence world besides the Soviets. I think we are in an interesting phase today because of the importance and the expense of so-called technical collection systems, that there really are only two complete intelligence services left in the world. Nobody else can afford the full gamut of intelligence capability. This is not to denigrate the British and the French and others who do marvelous pieces of the job, but that is again an answer to the question mark raised about coordination and whether they will cooperate with us. We do have this leverage that only we, on the free world side have, that total span of intelligence capabilities.

Q: Would you comment on what you foresee as what countries are really cooperative with the Soviets in emhancing their intelligence capabilities-- are some more active than others?

A: It's a little hard to differentiate between their Eastern European satellites. We find almost all of them quite active. For instance, in your question about the microwave intercepts: there are technical ways to keep any antenna from being as effective as it is designed to be. But the possibility of their just moving the antenna to the Czech or Pole or Rumanian location makes it sort of like chasing a moving target. I'm not giving you a very concrete answer but I will say that I think we do see good cooperation, good coordination there, mainly with the Eastern Europeans. I don't know that I have good evidence that states with less close ties to the Soviets are major contributors to their intelligence.

Q: Would you comment on whether you feel there is any diminution of the whipping boy climate that you have been through now on the Hill?

A: Any diminution of the whipping boy climate on the Hill? Yes, very definitely. And it's one reason I was optimistic in saying that over the next several years we will find the correct balance. I'm not sure I felt as confident of that nine months ago. There has been a very sharp change in the last six months or so on the Hill and the recognition that you can just go so far in making us a whipping boy. My hope is that we can be convincing that the oversight process is working, and I really believe it is, and that it will continue to work and that out of that we can have res-rictions on us that are flexible enough that we can operate effectively and not be in a straightjacket. Would you believe that we could not intercept c ommunications between American missionaries in Zaire last week to find out if they were alive. It is against the law. You want to know whether you need to go to Point A or Point B to rescue them and as soon as an American comes on the air we have got to turn it off. That is the kind of place where we need flexibility, that is un-reasonable. So we have got to get the Congress to set up our procedures and

and I am confident we will, that these examples will help. But I also find that when I go out to speak across the country at universities, chambers of commerce, and other places, that there is a real fundamental, fine support for us. People want a good intelligence service for their country. But there is, at the same time, an underlying suspicion that we also are doing something that we shouldn't be doing. I feel my job over the next three or four years is to whittle away at that suspicion and get it behind us. It is going to take time, it is very deeply ingrained in some of the more liberal elements, but also it's a very heartwarming when you get off the Eastern seaboard and away from the Washington Post and the New York Times to find out most of the people never read some of their stories.

Q: What's really going on in Africa?

A: The Soviet Union, having not succeeded in the Middle East, having felt they were crowded out in the Middle East, and despite having lost in Africa and Egypt, is pursuing an opportunistic course, looking for openings where they may establish influence for themselves. When I say opportunistic, we only need say that they were one day with Somalia and the next day with Ethiopia. So that to me establishes that its not ideologically inclined or otherwise inclined to a deliberate blueprint that has been established, they are looking for opportunities in taking what is the best one at the moment. Secondly, the Soviets have, I believe, become more sophisticated in their approach to the Third World. They stumbled in Indonesia, Guinea, Egypt, and elsewhere, because they were not very sophisticated. Today, having established close to military pointy to us in most categories of weaponry, they now have adequate surplus resources and have brought together an adequate skill level with long-range transport aircraft, to find their way to support people who would sympathize with them through the provision of military hardware. Most of the countries that look for help need good, long-term economic support that we can provide them far better than the Soviets. But what they are looking for most is short-term support with military weapons. The Soviets are playing to that and have done a magnificent job in the Ethiopian situation--one where we were just in an impossible situation because we could not honestly support a Marxist dictator who had invaded another country; and particularly in Africa where every country is opposed to anyone changing boundaries because they all have vulnerable boundaries. To go through the continent geographically for you very quickly: the situation in the Ogaden, Somalia vs. Ethiopia, has not terminated. There is still guerilla activity going on there. It is tying down Cuban and Ethiopian forces, much less of course, than when the Somalians were there with regular forces having invaded. The situation in Eritrea: the Ethiopians are poised to attack the insurgent forces there who are divided into three different groups, sometimes fighting each other rather than the other side. It is going to be a very interesting unfolding in the months ahead because it is a quite different situation than in Eastern Ethiopia where it is basically open, suitable tank terrain. Here its a

suitable guerilla warfare activity area. The guerillas have had lots of experience and control all but the three major cities. On the southern end of the continent, the situation in Zaire is very bad. I think this is a blow to Mobutu to see that a year after the previous invasion, the Zairian military were not prepared to handle a relatively small invasion force--a force that this time, instead marching from Angola due east towards the strategic copper belt, bypassed that part of Zaire by going through Northern Zambia and turning the corner and coming right up on Kolwezi. Kolwezi, as many of you know, is much more than one center of mining activity in Zaire. It is one of the larger points for concentrating the dross from the copper and separating from the copper the cobalt. Ninety percent of Z aire's cobalt, which is fifty percent of the world's, comes from Kolwezi. As far as we know the concentrate plants are intact, but they don't work well without skilled workers. Most of those are Europeans and most of those have left. So, the ultimate security of the copper and cobalt of Zaire is in the hands of what security can be offered to these people to return. I am sure you know that for two and a half years now the world has been in a deficit situation with regard to its supply of cobalt. The price was on its way up before this, and I do not confirm the Washington Post story that it was Soviet intervention in the cobalt market that put the price up. It was the long-term deficiency in Zaire and Kolwezi--of inefficiency in producing enough cobalt over the last several years. The demand has taken up stocks all around the world, so this is a problem we will all be facing for some time to come. In Rhodesia, the settlement internally is plugging along. It is hard to predict whether Ian Smith will live up to the promises and they will have elections by the end of the year to turn over power to the three black leaders on the internal side and if they do, we have got a very tough problem with the black leaders moving up, according to that, and who are resident of Zambia and Mozambique. The Soviets and the Cubans are there with them. Nkomo just made a trip to Moscow. A senior Soviet is in Mozambique today. It's a ripe situation for them, if the internal settlement does mature in Rhodesia, to support insurgency against it from the outside. We have got to hope that we can find some mexus to bring this together without it turning to guerilla warfare. Namibia is a very confused situation. The Angola-Savimbi continues to control about a third of the country. I see little prospect that Savimbi will overthrow the government with 20,000 Cuban troops there. But I don't see much prospect either that the Cubans and Angolans will kick Savimbi out as they have not been able to do so, so far and most of their activities have pushed him back in the bush and then he comes out again when they retreat. It is a difficult continent but the Soviets have demonstrated a capability to intervene in ways we have not seen before this Ethiopian situation. It is very tender.

Q: Admiral Turner, before you leave that point, would you comment very briefly on the role of Kuanda in Zambia, both in respect to the Kolwezi operation--the left hook or the left uppercut--and also with respect to his continuing relationship with Nkomo.

A: President Kuanda of Zambia who visited us here in Washington just recently, is in a most difficult situation. He claims, and I have no reason to doubt, that he really was unable to prevent the left uppercut coming through the Northern half of his country. He is in an uneasy truce; he is a true and firm supporter of Nkomo, but he is in an uneasy truce with the fact that Nkomo has an army inside his country and what happens if one way or the other they decide to bring in the Cubans and he has, in effect, a third army in his country: his, Nkomo's, and an outside one. Clearly this would put him in a very precarious situation. You know that the price of copper has not done what the price of cobalt has done and his ambitious programs and some of his investments in the past are still with him and he is in a very difficult economic situation. He must remain committed to changing the government in Rhodesia and yet domestically there are a lot of people in his country who are saying, we need attention to our country, c me home and take care of us. Pay attention to us rather than Rhodesia and other global problems. The man has got his hands very full.

Q: According to the Washington Post several years ago, it said that China was the most difficult country in the world for Russia and the United States to get information from. A: China is clearly difficult. It's hard to say the most difficult perhaps with 150 some countries, but yes it is an immense country with which we have had so little contact over so many years that your basic--I hate the word--infrastructure--it's an excuse for not knowing the right word I guess. Your basic data base is not there, your basic skills of people who are closely involved in studying and understanding and interpreting it, are not what they should be. So yes, we have real shortcomings in what we know about China. If anybody can help us know, I'd be grateful.

AEROSPACE TALK

Grateful - interest in intel matters

Trend - symbiotic rel. with business

- move to study economic

- benefit business

Look back 30 yrs

Sov mil

Today 150+, econ, political

anti-terrorism

anti-drug traffic

energy

Relates to business because 2nd trend:

Openness

Traditional

Return on tax$ - speaking, conferences, publishing

Studies - business direct benefit

- energy, Sov. econ, terrorism

Can't open completely

espionage : industry - prime Sov target

govt same -

Tighter & reduce corpus

Increase respect

215M - chaos - accept

Not faith alone - Oversight

Last January - E.O.

Trends - strengthen

23 May 1978

AEROSPACE INDUSTRIES ASSOC. OF AMERICA, INC.
Admiral Stansfield Turner
Remarks to Board of Governors
1800, Thursday, 25 May 1978
Williamsburg, Va.

Pleased to be here

- grateful interested in intel activities
- One trend - symbiotic relationship with business
  - o traditional helpful relationship - one direction - new twist
  - o moving more to study economic activities
  - o significant change - hope benefits business community

Look back 30 years - first organized

Prime product - Soviet mil

Today - 150+

economic + political

Soviet military still first, but expanding our expertise/interests

- o anti-terrorism
- o anti-drug traffic
- o energy problems, etc.

New/demanding challenge

Relate to you in business because changed product encourages

2nd trend: greater openness

Traditionally - max secrecy

- Not appropriate today
- Public's right to return on tax $
  - o speaking
  - o conferences
  - o publishing - here business can benefit directly

- Studies

  e.g.: energy

  Soviet economic prospects

  terrorism

Impact ability to enter our market

- Can't be completely open - must keep some secrets or value lost
  - o govt and industry - serious problem safeguarding info
    - industrial espionage - prime Soviet target - ascendency
  - o where your concern must be to understand threat, convey to employees, take countermeasures
  - o govt's concern includes same measures, plus reducing corpus of secrets
    - fewer
    - easier to protect
    - respected more
- Too many - not respected - serious problem
  - o books
  - o interviews
- logical extension - 215 million - chaos
  - o time for more trust
  - o not accept on faith alone

Oversight - surrogate process

- Pres - VP
- IOB
- Congress
- Adequate mechanism for whistle-blowers - respect
- Risks - oversight
    - o timidity
    - o leaks
    - o over management

Oversight + + effectiveness

Last January - reorganization - recognized these trends

- return to 1947 Act
    - o budget/tasking
    - o analysis
    - o NSC(I)

Trends strengthening capability

- Best in world - dedicated to remain
- In ways will support & defend our democratic institutions

C.T.

CASSETTE

TAPE